App. F. IX-4

Previous References
D. M. 30-31-7
30-31-(1-6

1933-4.
(D. M)

File No. 11-33.
Serial Nos. 1-2

Later References
D. M. 5-34 (1-2)
D. M. 7-35 (1-5)
CS 71-45-1+2

preserve
p. 13 (E)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Two.

Part B for My 34

SUBJECT.

Cash Credit of one lakhs of rupees to the Land mortgage bank at 4½ p.c interest on certain Conditions.

D 3694-6 d/ 30.6.34

Regr. C.S. [illegible]
Fin. Dept
& Resident L on bank

Sanction a cash credit of Rs ~~[illegible]~~ [illegible]000 with certain observations

[App. F. III—2

General and Revenue
Secretariat

L M File No. 11 of 1933.

Serial
No.

From the Regr of CS
No 2829 d 4.11.33

Recommends the sanction of a cash credit of Rs 1 lakh to the L.M Bank at 4½ per cent interest subject to certain conditions.

1) At the meeting held with the President of the L.M. Bank on Monday the 30th Oct. 1933 this question was discussed, and in the proceedings it is stated that the request may be granted at 4½% from July 1933.

2) Subd with a draft sanctioning the proposal. Fl Concurrence is necessary

KP
8/11 8/11

Dev: Sec. 4)
Fin. Secretary.

9/11

9.11.33

10/11

Fl 1297 10-11-33

3) Forwarded with compliments to the Comptroller for favour of remarks, particularly on the proposal to debit to the cash credit account, the amount drawn from the Govt. Treasury since July 1933 for which debentures are stated to have not been ~~[illegible]~~ issued by the Bank in favour of Govt.

Fl: Secy to Govt

13/11/33, 14

14.11.33.

No 2657/Fl 13.11.33

SL

Note—Contn. Sheet.

General and Revenue Secretariat

File No No 1233 Dt 15.11.33. of 193

Returned with compliments

The present arrangement by which only the amounts actually drawn have been debited to the account of the Bank and that too from the date on which they have been drawn on the Treasury is virtually one of cash credit. There is no objn to making the advances required by the Bank on a cash credit basis.

There is also no objn to the arrangement coming into effect from 1.7.33

M. Venkatasa Iyengar
15.11.33 Comptroller

No. 263/GL
16/11/33

FINANCIAL S[illegible]
15 NOV 1933
No.

F1297/20.11.33

According to the present arrangement, the drawings by the Bank are limited to (1) the amount deposited with the Trustee or (2) the total amount of debentures to be subscribed for by Government and this itself is a kind of cash credit. The proposed cash credit practically means an additional loan to the Bank. Why this is necessary in addition & what security the Bank proposes to offer therefor have not been mentioned.

The rate of interest proposed to be charged on the cash credit, viz., 4½ per cent per annum is low. The rate of interest should, I think, be at least 5% per annum if it is to be a permanent arrangement.

29/11.

29.11.33.

First Member

30.11.33

30/11

Will Dev. Secy please ~~[illegible]~~ have prepared the notes of the discussions with the President of the Bank & Fin. Secy — also the notes previously submitted to the President.

2/12. 1/12

.12.33

1641
2078
2376

(3

General and Revenue Secretariat — L.M. File No. 11 of 1933. [App. F. III—2

Serial No.	

Kindly see linked file

4) The file of papers containing the notes of the Presdt. L.M. Bank has been traced and is put up herewith. ~~[illegible]~~ Notes of discussion is not to be found there. A copy of the Procdgs is put up.

Intd KB 4/1

Dev: Secy.

5/1/34

OFFICE OF THE FIRST MEMBER OF COUNCIL 6 JAN. 1934 No. 5758

First Member.

6.1.34. 6/1

5) I should like to discuss this with the Fin Secy today.

8/1/34

Fin. Secretary.

8.1.34

6) Discussed with Fin Secy.
Query - Is overdraft really necessary.
Meantime we may say that the cash credit arrangement proposed is approved and it may be limited to Rs 20000 for the present. If more is required, let us have an explanation of ~~such~~ a larger amount is regd & what security is available.
Rate of interest 4½% for the present, subject to modification if prevailing rate of interest change.

OFFICE OF THE FIRST MEMBER OF COUNCIL 8 JAN. 1934 No. 5180

8/1/34

8/1/34

8.1.34.

9/1.

NOTE—Contn. Sheet.

1641
2078
2376

C.M. File No. 4 of 1933

General and Revenue
Secretariat

Serial No.

Draft ~~[illegible]~~
as per para 6 is submitted

17/1/34

may be referred to the Fin. Secy
for perusal before issue
Dev. Secy)

18/1/34

18.1.34

Fin. Secy)

18/1

F. 2122/19-1-1934

19.1.34.

24.1.34

Issue
26/1/34

25/1/34.

TYPING SECTION
26 JAN 1934
GENL & REV. SECT.

Draft & fair communicating the order submitted

30/1

N C 1162
30 1.34

Issue
Issued 30/1/34.

To The Registrar Co. S.
The Comptroller [illegible]
The President L.M. Bank.

No. D.3694-96 d 30.1.34.

Sanctions the cash credit of Rs. 20,000/-
with certain observations

GENERAL AND REVENUE SECRETARIAT

O. No. D 1779-22/

Dated, Bangalore, 27th October 1933.

F [illegible] [illegible]ARY
27 [illegible] 3
No.

Dear Sir,

I am desired to request you to be so good as to make it convenient to attend a meeting to be held at 2 P.M. on Monday the 30th instant in the First Member's Chambers to discuss the subjects noted in the accompanying list in connection with the Land Mortgage Bank.

Yours sincerely,

Mallikarjunnah

A.N. Raghavachar, Esq., M.A.,
Offg. Financial Secretary to Government,
Bangalore.

SUBJECTS FOR DISCUSSION.

Sanction of Government required for the floating of ~~the~~ debentures (2nd series) for 2½ lakhs either at 5% or 4½ per cent. 2½ lakhs / 4½ p.c [illegible]

Permission required to throw open to the public, the balance remaining out of the sum of one lakh subscribed for ~~the~~ by Government in the first series of the Bank's debentures. Agreed

Grant of a cash credit of one lakh of rupees by the Government to the Bank. 4½ p.c 1st Jul 30

Permission to be given to the Bank to utilise for the grant of fresh loans, the loan instalments recovered by the Bank from its indebted members. With effect from 6th year

Removal of the restriction against the payment of dividends by the Bank till it becomes entirely self supporting. 3-20 this year onwards

Permission to be given to the Bank to draw loan amounts sanctioned by it on bills issued to Treasuries ~~required~~ without requiring preaudit thereof by the Comptroller. Yes

General permission to be given to the Bank to extend its lending operations throughout the State.

Exemption of the Bank as also the Primary Land Mortgage Societies from payment of fees under the Record of Rights Regulation.

Exemption of the Bank from payment of Stamps in respect of applications to the Registrar for recovery of its dues from its indebted members.

Nomination by Government of Directors to the Bank.

No. 2829 [illegible]

(1)

GOVERNMENT OF MYSORE.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE.

Telegraphic Address :
"CO-OPERT"
BANGALORE.

Dated, Bangalore, 4th November 1933.

GEN. REV. SECRETARIAT.
641
DEVELOPMENT BRANCH

~~C-F-53-33-1~~

From

GULAM MOHADIN MEHKRI, ESQ., B.A., LL.B.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

L-M. 11-33-1 ~~C.F.~~

To

4 NOV

S.Abdul Wajid, Esq., B.A.,
Secretary to the Government of Mysore,
Development Department, Bangalore.

Sir,

I have the honour to forward, herewith, a copy of letter No.S.I.114 dated 23rd October 1933 together with a copy of the enclosure thereto - received from the President of the Mysore Co-operative Land Mortgage Bank, Ltd., Bangalore City, requesting that Government may be moved to sanction a cash credit of Rs.one lakh to the Bank, and to state that, for the reasons stated in the President's letter, a cash credit of one lakh of rupees may be sanctioned to the Bank at 4½ per cent interest, subject to the following terms:-

(i) This amount will be utilised only for the payment of long term loans sanctioned by the Bank

(ii) The amount drawn by the Bank from this account will be recouped from time to time from the debenture subscriptions obtained from the public or by the issue of debentures to Government upto the limit of their subscriptions.

The amount drawn from the Government Treasury since 1st July 1933 for which debentures have not yet been issued by the Bank in favour of Government, may also be ordered to be debitted to this cash credit account

I have the honour to be,
Sir,
Your most obedient servant,

Registrar. 4/11

4/11.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Letter No.S.I.114 dated 23rd October 1933 from the President, The Mysore Co-operative Land Mortgage Bank, Ltd., Bangalore, to the Registrar of Co-operative Societies in Mysore, Bangalore.

With reference to para 9 of my letter No.S.I.17 dated 29th July last stating that a separate communication would be sent to you in the matter of the cash credit of Rupees two lakhs required to be applied fo from Government as mentioned in resolution No.9 passed at the meeting o the Bank's Board of Directors on the 29th May, I have the honour to state that at present all public subscriptions towards the Bank's debentures are handed over to the Trustee who places them in the Government Savings Bank deposit; and they are drawn by the Bank by bill on the Treasuries as required from time to time for the disbursement of loans sanctioned by the Bank. Under this arrangement, the Bank is put to considerable loss, as, for the period that the amount remains unutilised, the Bank gets interest on these amounts only at the Savings Bank rate of 3 1/8% while it has to pay a much higher rate to the debenture holders according to the terms of the bond. The same difficulty having been felt by the Madras Co-operative Central Land Mortgage Bank, the Government of Madras have, on the representation of the Bank, sanctioned a cash credit of one lakh of rupees to the Bank. (vide annexed extract from the annual report of the Madras Co-operative Central Land Mortgage Bank for 1930-31). A similar arrangement will b of material help to this Bank and enable it to get over its difficulty in this respect. I request accordingly that Government may be pleased to sanction a cash credit of one lakh of rupees to this Bank for the present on the undermentioned terms:

(1) This amount will be utilised only for the payment of long-term loans sanctioned by the Bank and will be drawn from time to time on Bills issued by the President of the Bank and presented to the Treasuries (among which the cash credit amount will be distrbuted by the Comptroller at the request of the Bank)

(2) The amount drawn by the Bank in the cash credit account will be recouped from time to time from the debenture subscriptions obtaine from the public or by the issue of debentures to Government up to the limit of their subscriptions.

(3) These

P.T.O.

(3) These arrangements may be made applicable not only to amounts that may be drawn in future but also to those which have been already drawn towards Government subscriptions to the debenture in accordance with Government Order No.G.4504-6/L.M.18-29-6 dated 31st October 1930 and for which debenture bonds have not been issued till now. Kind reference is invited also ~~to~~ in this respect to my letter No.S.I.112 dated 23rd October 1933 in the matter of throwing open to the public the whole of the balance of debentures still remaining unissued out of the amount subscribed for by Government.

As regards the rate of interest to be charged to the Bank on the cash credit account, I request that, in view of the general reduction in the market rates of interest and of the fact that - Government have themselves reduced their interest rates on 5 year Savings Bank Deposits to 3¼%, the same rate (or at the most only 4%) may be charged on the cash credit transactions which are in the nature of temporary accommodation to the Bank.

****

" Copy "

4/11.

Registrar.

DEPARTMENT OF CO-OPERATION.
OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE.

Extract from the Annual Report of the Madras Co-operative Central Land Mortgage Bank,Ltd., for 1930-31.

CASH CREDIT AND WORKING CAPITAL.

17. As this Bank has been started without any foundation grant or any guarantee fund, difficulty has been experienced in the initial financing of the Primary Banks and also in continuously carrying on the operations of this Bank. These difficulties were explained to Government by the Board and in its order No.2255 dated 20-12-1930, Government were pleased to direct that a loan of one lakh of rupees may be given to this Bank every quarter repayable with interest at 6 per cent per annum as and when funds were obtained by the issue of debentures. On a further representation (vide G.O.No.258 Mis.dated 9-6-1931) Government were pleased to convert the loan of one lakh of rupees into a cash credit account to be drawn upon and paid into the Bank at its discretion. The Board believes,.that this arrangement will to some extent relieve the difficulties that have been experienced in the working of the Bank during the year.

****

Registrar.

LM. 11-33-

THE MYSORE CO-OPERATIVE LAND MORTGAGE BANK, LTD.

ALBERT VICTOR ROAD, CHAMARAJPET.

RAJASABHABHUSHANA
K. R. SRINIVASIENGAR, M.A.,
PRESIDENT.

BANGALORE CITY.

D 2078

DATED 2nd December 1933

...NT BRANCH

D.O. No. 154

DEVELOPMENT SECRETARIAT
4 DEC. 1933

Dear Mr Wajid

Permit me to invite your reference to letter No. 2829 CS dated 4th November 1933 addressed to you by the Registrar of Co-operative Societies in Mysore recommending the grant of a cash-credit of one lakh of rupees to this Bank, and to request that the orders of Government may be kindly obtained in the matter early. The G.O. of 30th ult covers all the other matters discussed by me at the meeting with the 1st member except that relating to cash credit

Yours sincerely,

First Member

Cld.
22.12.33

S. Abdul Wajid, Esq., B.A.,
Secretary to the Government of
His Highness The Maharaja of Mysore,
Development Department,
BANGALORE.

Secy with complts. Have orders been issued? If not [illegible] expedited. [illegible] 23/12

THE MYSORE CO-OPERATIVE LAND MORTGAGE BANK, LTD.
ALBERT VICTOR ROAD, CHAMARAJPET.
BANGALORE CITY.

RAJASABHABHUSHANA
K. R. SRINIVASIENGAR, M.A.,
PRESIDENT.

[illegible] 26.12.33

x x 2376

DATED 22nd December 1933

D.O.No:S.9.175.

BRANCH

Dear Mr Mathan

With reference to the discussion I had with you on 30th October last in your Chambers in the presence of the Registrar of Co-operative Societies, the Financial Secretary, the Development Secretary and the Comptroller, on certain matters relating to the Land Mortgage Bank, I have received the orders of Government on all my proposals except that relating to the grant of a cash credit of one lakh of rupees to the Bank. Though it was understood at the meeting with the whole-hearted concurrence of the Financial Secretary and the Comptroller, that the cash credit would be sanctioned with effect from 1st July last at the same rate of interest (i.e., 4½%) as that carried by the new debentures of the Bank (instead of 4% as I had proposed), I have not received yet the orders of Government on the subject. I wonder what the delay is due to. I had so clearly explained my proposal and I believe you were so fully satisfied with it that I thought that there would be no room for any doubt or hesitation about it. I shall feel obliged if you will kindly have early orders issued in the matter.

Yours sincerely,

K R Srinivasiengar

Rajamantrapravina
Diwan Bahadur ~~Xxx~~ K. MATTHAN, Esq., B.A.,
Member of Council,
BANGALORE.

SUBJECT ....

....

....

Diary No. of letter replied to ....

Section XM.
File No. 11-33
Serial No. 2

General and Revenue Secretariat
( )
the 193

Proceedings of the Government of
His Highness the Maharaja of Mysore.

Date of issue ....30/11/...... 193 4

Signed by ......Mr Gm,......

Read—

Letter No. 2829 C.S. d/ 4. 11. 1933 from the Registrar of C. Societies ~~forwarding~~ recommending sanction to the request of the President, L. M. Bank for ~~Sanction of~~ a cash credit of Rs. 1 lakh to the Bank and recommending that the

Order thereon.—No.

cash credit asked for by the Bank may be sanctioned at 4½% interest subject to the following terms.

1. The amount shall be utilised only for the payment of long term loans sanctioned by the Bank.

May this be—

(i) printed ?
(ii) treated as a standing order ?
(iii) published in the Gazette, English Part ?
(iv) translated ?
(v) placed at the disposal of the press ?
(vi) published in the Gazette, Kannada Part ?

no amount drawn by the Banks from this account shall be recouped from time to time from the debenture subscriptions obtained from the public, or by the issue of debentures to ~~to~~ Govt. up to the limit of their subscriptions.

Order No. D 3694-96 of 30/11/34

The Cash credit arrangement proposed is approved and will be considered to have been in operation since 1st July 1933 ~~The cash credit will be~~ ~~it is~~ The cash credit will be limited to RS 20,000/- for the present, the rate of interest being 4½% subject to modification if prevailing rates of interest change. If larger amount is required an explanation as to why it is required & what security would be given by the Bank, should be furnished.

~~The amount drawn by the Bank from the Govt. recovery since 1st July 1933 upto date will also be debited to cash credit account.~~

List of Enclosure.

Copied by 27/12

Examined by

To - The Registrar of C.S.
The Comptroller to Govt.
[illegible]
The President C.M. Bank.

WD 73—GBPM—20,000—10-8-31.

C.M.

CM
18/1.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Read -

Letter No.2829 CS dated 4th November 1933 from the Registrar of Co-operative Societies recommending sanction to the request of the President Land Mortgage Bank for a cash credit of Rs. 1.lakh to the Bank at 4½ per cent interest, subject to the following terms.

1. The amount shall be utilised only for the payment of long term loans sanctioned by the Bank

2. The amount drawn by the Bank from this account shall be recouped from time to time from the debenture subscriptions obtained from the public or by the issue of debentures to Government up to the limit of their subscriptions.

Order No. D 3694-96 / D.M. 11-33-2

Dated, Bangalore. ~~27~~ 31st January 1934

The cash credit arrangement proposed is approved and will be considered to have been in operation since 1st July 1933. The cash credit will be limited to Rs.20,000/- for the present, the rate of interest being 4½ per cent subject to modification if prevailing rates of interest change. If larger amount be required an explanation as to why it is required and what security would be given by the Bank should be furnished.

Mallikarjuniah 30/1

For Secretary to Government,
Development Department.

To

The Registrar of Co-operative Societies in Mysore,
The Comptroller to Government, through Finl. Sectt.
The President, Land Mortgage Bank.